

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
ECONOMIC IMPACT ANALYSIS OF
Proposed Economic Development Revenue Bonds
Refinancing Rhode Island Airport Corporation (RIAC)
Bonds 1998B and 2003A

September 18, 2013

As required by 42-64-10(a)(2) of the Rhode Island General Laws, the Rhode Island Economic Development Corporation ("EDC") has prepared the following economic impact analysis of the proposed bonds to refinance Rhode Island Airport Corporation (RIAC) Series 1998B and 2003A bonds. There are no net new expenditures or jobs associated with this project as RIAC is refinancing older bonds to achieve cost savings.

Preamble

In 1998 (new issuance) and 2003 (refinancing issuance) the Rhode Island Economic Development Corporation issued bonds for airport related projects. These original projects enhanced Rhode Island's transportation infrastructure providing general benefit to the economic development of the state and creating temporary project-related employment.

Proposed Bond Issue

The EDC is requesting approximately \$18,315,000 in taxable and tax-exempt bond financing to refinance bonds thereby creating an estimated present value savings of \$551,016. Actual savings and size of the bond financing will depend on future market conditions. As this issue of bonds will be used to refinance historic bonds rather than new capital expenditures, there are no new direct jobs associated with the project. However, we find that refinancing has a positive financial impact by lowering the bond financing costs over the term of the bonds. The retained savings will be available for other airport related projects.

Sources and Assumptions

The financials included in this statement are based on the 2013 EDC application completed by the Rhode Island Airport Corporation and the updated RIAC Refinancing Summary, dated September 9, 2013, prepared by Citi. Citi stated the following assumptions.

- For illustration purposes only; actual results will depend on future market conditions and may differ.
- Uninsured fixed rates as of 8/22/2013; 10-year par call. Structured to achieve level annual savings. Yields assume 25bps increase to market rates.
- Savings are estimates and are discounted to delivery date (11/6/2013) at the individual All-In True Interest Cost of the refunding bonds.
- Assumes cost of issuance of 1.20% of the refunding par amount.
- Assumes escrow is cash funded and subject to a 30-day escrow period.
- Excludes potential Debt Service Reserve Fund release and earnings.